



Information Partners Can Use on:

COORDINATION OF BENEFITS

New Medicare Prescription Drug Coverage

As of January 31, 2006

This fact sheet provides information to Medicare partners about how Medicare prescription drug coverage will work with supplemental drug coverage including State Pharmacy Assistance Programs, Employer Group Health Plans, the Federal Employee Health Benefits Program, and Military coverage (including TRICARE).

Some people with Medicare have drug coverage that acts as a supplement to Medicare's prescription drug coverage. To ensure that bills are paid correctly, Medicare has the following process to coordinate prescription drug benefits:

- **People with Medicare have to report if they have additional drug coverage.** When people with Medicare join a Medicare drug plan, they must report to the plan if they have other prescription drug coverage. The Medicare drug plan is expected to collect this information through a mail, phone, or face-to-face survey within 30 days of enrollment. Medicare will also get this information from some employers and payers directly. People with Medicare must also report if they are reimbursed for out-of-pocket drug costs.
- **Pharmacists have access to drug plan enrollment information online.** When a person with Medicare fills a prescription, the pharmacy will be able to use an online billing system to find out if the Medicare drug plan or a supplemental drug plan should be billed. The system will tell the pharmacist how much the person should pay for the prescription and whether a third party can be billed. After the pharmacist bills Medicare and any supplemental drug coverage, the person with Medicare will be billed at the pharmacy counter for the remaining amount.

Supplemental drug plans may also help pay Medicare prescription drug coverage out-of-pocket costs like premiums, copayments, and deductibles. But, in some cases the person with Medicare may have to pay out-of-pocket for the following reasons:

- **The pharmacy may not be able to bill the supplemental drug plan.** The person with Medicare may need to pay out-of-pocket for their deductible or copayment costs if the pharmacy can't submit the claim electronically. The person can later submit a claim to their supplemental drug coverage for reimbursement.
- **Some supplemental plans cover only a portion of the Medicare drug plan premium.** If the supplemental plan doesn't cover the entire premium, the Medicare drug plan will bill the person with Medicare for any remaining portion of the premium.

For more detailed information about coordination of benefits under Medicare prescription drug coverage, visit www.cms.hhs.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.